



THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Required Report - public distribution

Date: 7/20/2010
GAIN Report Number: TH0107

Thailand

Rice Price - Weekly

Weekly Rice Price Update

Approved By:

John Wade, Agricultural Counselor

Prepared By:

Ponnarong Prasertsri, Agricultural Specialist

Report Highlights:

TH0107 Despite a continued reduction in domestic prices of white rice by 3-5 percent, export prices declined by 1.0 percent. The state-run Public Warehouse Organization (PWO) announced on July 15, 2010 it will exchange 215,000 tons of 5% grade white rice from the MY2007/08 off-season crop intervention stock with current-crop rice for domestic market. Meanwhile, foreign demand remained quiet.

Post:

Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending July 19, 2010

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
FWR 100 B	970	-	980	-	1,000	935	-	971	973
WR 100 B	440	-	470	-	470	450	480	462	466
PB 100%	480	-	480	-	480	480	480	472	479
PB 5%	455	-	475	-	470	455	475	466	472
WR 5%	415	-	450	-	450	425	480	440	443
WR 10%	410	-	425	-	445	422	-	426	429
WR 15%	395	-	410	-	-	420	-	408	412
WR 25%	380	-	400	-	-	400	-	393	397
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	335	-	360	-	360	335	-	348	352
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 32.2 baht/U.S.\$

Source: Average actual prices received from exporters

Despite a continued reduction in domestic prices of white rice by 3-5 percent, export prices declined by 1.0 percent. The state-run Public Warehouse Organization (PWO) announced on July 15, 2010 it will exchange 215,000 tons of 5% grade white rice from the MY2007/08 off-season crop intervention stock with current-crop rice (MY2009/10 off-season crop) millers bought from farmers 300 baht/ton (\$9/MT) of paddy above market prices under the government measures to stabilize domestic prices (please see [TH0065, "Weekly Rice Price Update," 4/5/2010](#)). Millers are required to register no later than July 22, 2010. The program will benefit millers as they can swap lower quality off-season rice (MY2009/10) for the government's high quality rice stocks (MY2007/08) which could be sold domestically at higher prices. Meanwhile, foreign demand remained quiet waiting for details on the government's stock release plan for exports which has not been finalized, yet. Also, some exporters are reluctant to lower their quotations as the recent stock release announcement by the PWO mainly benefits the domestic market.

The weekly benchmark prices of white rice for July 19 - 25 declined by 1.9 percent. As such, farmers will receive higher compensation compared to the previous week. Farmers that sell their supplies this week will attain insurance price levels as market prices and benchmark prices have finally converged.

Table 2: Price Insurance Scheme for MY2009/2010 rice crop

	Rice paddy				
	Fragrant rice (Hom Mali)	Provincial fragrant rice	Pathum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household) ^{a/}	14	16	25	16	25
2. Insured prices (Baht/ton) ^{a/}	15,300	14,300	11,000 ^{d/}	9,500	10,000
3. Benchmark prices (Baht/ton) ^{b/c/}					
Jun 21-27	-	-	9,745	12,393	7,700
Jun 28 - Jul 4	-	-	9,970	12,505	7,891
July 5-11	-	-	10,391	12,876	8,063
July 12-18	-	-	10,809	13,465	8,081
July 19-25	-	-	10,764	14,655	7,926
4. Compensation (1-2), (Baht/ton)					
Jun 21-27	-	-	1,255	-	2,300
Jun 28 - Jul 4	-	-	1,030	-	2,109
July 5-11	-	-	609	-	1,937
July 12-18	-	-	191	-	1,919
July 19-25	-	-	236	-	2,074
5. Market prices (Baht/ton)					
Jun 21-27	13,150	11,750	9,350	13,850	8,000
Jun 28 - Jul 4	13,250	11,750	9,350	13,850	8,200
July 5-11	13,750	11,750	10,050	14,500	8,100
July 12-18	13,750	11,750	11,050	15,400	7,900
July 19-25 ^{e/}	13,750	11,750	11,050	15,400	7,900

Note:

^{a/} Cabinet approval on Sep. 22, 2009^{b/} Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average historical wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.^{c/} Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.^{d/} The insured prices of MY 2009/10 second-crop Pathum Fragrant rice were revised up from 10,000 tons/MT in MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010^{e/} As of July 19, 2010

Figure 1: Comparison of market price, insurance price, and benchmark price

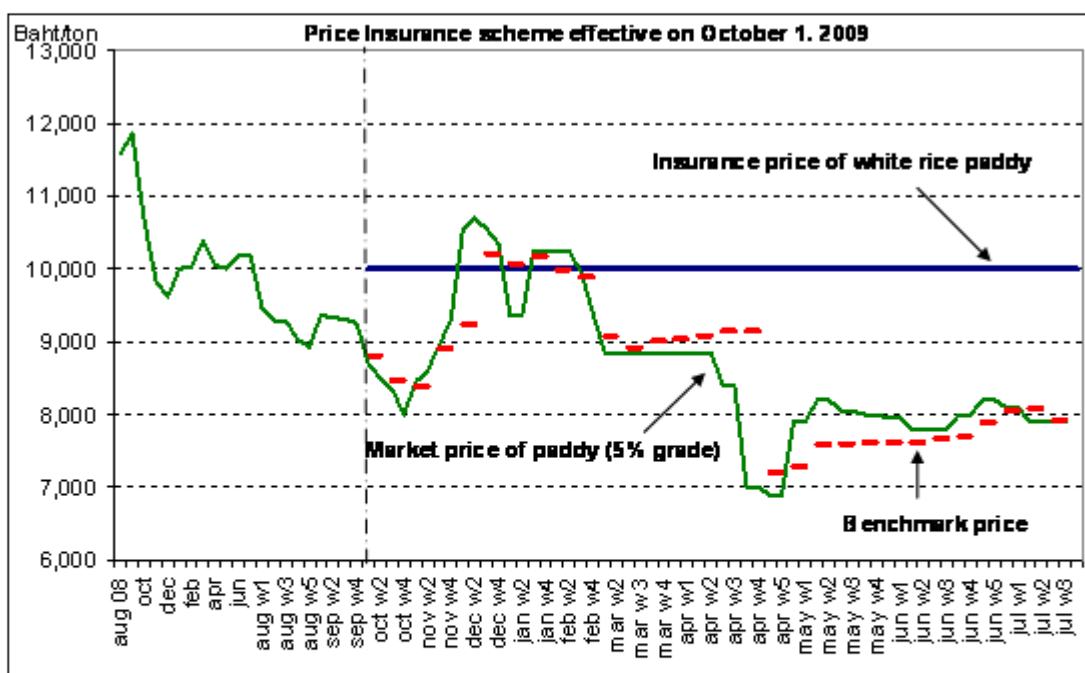


Table 3: Weekly rice exports (excluding fragrant rice)

WEEK ENDING	QUANTITY	4 WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
May 9	122,091	95,530	2,104	1,918	9.7
May 16	119,212	111,574	2,223	2,053	8.3
May 23	115,187	114,544	2,339	2,222	5.3
May 30	130,142	121,726	2,469	2,355	4.8
Jun 6	98,942	115,938	2,568	2,493	3.0
Jun 13	82,918	106,865	2,651	2,640	0.4
Jun 20	105,026	104,325	2,756	2,758	-0.1
Jun 27	103,458	97,586	2,859	2,915	-1.9
Jul 4	84,405	93,952	2,944	3,044	-3.3
Jul 11	126,065	104,739	3,070	3,128	-1.9
Jul 18	118,235	108,041	3,188	3,259	-2.2

Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.

Source: Board of Trade of Thailand

Table 4: Weekly private registered rice export sales

Movement (MT)	Jun. 28 - Jul. 2	Jul. 5-9 (Revised)	Jul. 12-16 (Preliminary)
Weekly sales	136,824	133,339	122,783
4 week sum	386,138	450,676	485,310
4 week mov. avg.	96,535	112,669	121,328
Year-to-date sales	3,293,850	3,427,189	3,549,972

End of report.